PRESENT STATUS OF REPUDIATED STATE BONDS.

BY MARK SULLIVAN.

AT the present moment there is pending in the United States Supreme Court at Washington a judgment in a suit so interesting in itself, so picturesque in its historic background, so vital in its bearing upon some hundreds of millions of dollars' worth of State bonds now regarded as practically worthless, that it merits careful examination. The judgment is for $27,400; it is in favor of the State of South Dakota and against the State of North Carolina. The decree is that North Carolina must pay this amount, together with costs of suit, "on or before the first Monday of January, 1905"; and it is provided that, if North Carolina does not pay, certain property belonging to that State shall be seized, advertised and sold at public auction, "such sale to be made at the east front door of the Capitol-building in Washington."

The history of this remarkable case can best be followed, and the *pros* and *cons* which caused the Supreme Court to split into sides of four and five in handing down their decision can best be understood, through a chronological statement of the incidents which led up to the suit. The first step consisted in the sending of the following letter, on September 10th, 1901, from a broker in New York to the Honorable Charles Burke, a Member of Congress from the State of South Dakota:

"The undersigned, one of the members of the firm of ———, has decided, after consultation with the other holders of the second-mortgage bonds issued by the State of North Carolina, to donate ten of these bonds to the State of South Dakota.

"The holders of these bonds have waited for some thirty years in the

hope that the State of North Carolina would realize the justice of their claims for the payment of these bonds.

"The bonds are all now about due, besides, of course, the coupons, which amount to some 170 per cent. of the face of the bond.

"The holders of these bonds have been advised that they cannot maintain a suit against the State of North Carolina on these bonds, but that such a suit can be maintained by a foreign state or by one of the United States.

"The owners of these bonds are mostly, if not entirely, persons who liberally give charity to the needy, the deserving, and the unfortunate.

"These bonds can be used to great advantage by States or foreign governments, and the majority owners would prefer to use them in this way rather than take the trifle which is offered by the debtor.

"If your State should succeed in collecting these bonds, it would be the inclination of the owners of a majority of the total issue now outstanding to make additional donations to such governments as may be able to collect from the repudiating State, rather than accept the small pittance offered in settlement.

"The donors of these ten bonds would be pleased if the Legislature of South Dakota should apply the proceeds of these bonds to the State University or to some of its asylums or other charities."

Lawyers, and persons familiar with the story of that curious and widely discussed incident of American history known as "Repudiation," may understand this letter fully. For others, some explanation is necessary.

To make this explanation clear the most important fact is this: A State Government cannot be sued by an individual. When this broker says in his letter that "the holders of these bonds have been advised that they cannot maintain suit against the State of North Carolina on these bonds, but that such a suit can be maintained by . . . one of the United States," he has reference to two provisions in the United States Constitution. If an individual has a claim against a State, he is utterly without redress so far as the Court is concerned; but, if one State has a claim against another State, it can bring suit in the United States Court. This state of the law makes it possible for any commonwealth to evade its debts whenever it is so minded, leaving the creditor without redress. At various times, eleven of the Southern States, North Carolina among the number, have taken advantage of this situation to repudiate their bonded debts to the extent of some hundreds of millions of dollars. The generous donor who signed the letter quoted above found himself in possession of a large number of bonds of the State of North Caro-

lina which that State refused to pay, and which he had no way of compelling the State to pay, and which were practically valueless. But it occurred to this broker, or it occurred to his lawyer, that if some State Government owned these bonds they could be collected; hence the gift. To the broker, the bonds were worth nothing; to South Dakota, they would be worth their full face value.

It may readily be imagined that South Dakota received this gift with some surprise; but the State Legislature passed an act entitled, "An Act to Require the Acceptance and Collection of Grants, Devises, Bequests, Donations, and Assignments to the State of South Dakota." Inasmuch as this act will be examined with some scrutiny later on, it is here quoted in full:

"Be it enacted by the Legislature of South Dakota:

"Section 1. That whenever any grant, devise, bequest, donation, or gift or assignment of money, bonds, or choses in action, or of any property, real or personal, shall be made to this State, the Governor is hereby directed to receive and accept the same, so that the right and title to the same shall pass to this State; and all such bonds, notes, or choses in action, or the proceeds thereof when collected, and all other property or thing of value, so received by the State as aforesaid, shall be reported by the Governor to the Legislature, to the end that the same may be covered into the public treasury or appropriated to the State University or to the public schools, or to State charities, as may hereafter be directed by law.

"Section 2. Whenever it shall be necessary to protect or assert the right or title of the State to any property so received or derived as aforesaid, or to collect or to reduce into possession any bond, note, bill, or chose in action, the Attorney-General is directed to take the necessary and proper proceedings, and to bring suit in the name of the State in any court of competent jurisdiction, State or Federal, and to prosecute all such suits, and is authorized to employ counsel to be associated with him in such suits or actions, who, with him, shall fully represent the State, and shall be entitled to reasonable compensation out of the recoveries and collections in such suits and actions."

Armed with this statute, South Dakota accepted the bonds, and the Attorney-General of the State, after engaging the assistance of eminent counsel, prepared for suit. North Carolina defended, and argument was heard before the full bench of the Supreme Court at Washington for three days during April, 1903. Further argument was heard in November, 1903; and again, in January of the present year, the Supreme Court gave three

more days to the hearing of still further argument on the involved points of the case. Thereafter, the Court kept the case under advisement for several weeks; and, finally, some months ago, the decision quoted above, in favor of South Dakota, was handed down by Mr. Justice Brewer, with whom four of his fellow Justices agreed. The remaining four Justices handed down an unusually complete and forcible opinion of dissent. Decidedly, there are two sides to this case.

Before considering, in detail, the reasons for the opinion, and the reasons for the dissent, and before considering in which direction the best public policy points, it will be well briefly to review the history of repudiation.

During the early forties, one of the Southern States, filled with the railroad-building fever which then prevailed, applied to Baring Brothers, of London, for a loan. That firm, in considering the matter, discovered the provision of the United States Constitution which has been pointed out, and which would put them entirely at the mercy of the State's sense of moral obligation. To get further advice in the matter, they consulted Daniel Webster, then in the prime of his fame as a constitutional lawyer, and the most eminent American statesman of the day. Webster acknowledged that Baring Brothers' inference as to the law in the case was correct, but he went on to say that the loan was, nevertheless, a perfectly safe one. He wrote:

"The States cannot rid themselves of their obligations otherwise than by the payment of their debts. . . . They cannot get round the duty nor evade its source. Any failure to fulfil its obligations would be an open violation of public faith, to be followed by the penalty of dishonor and disgrace; a penalty, it may be presumed, which no State of the American Union would be likely to incur. . . . I believe that the citizens of the United States, like all honest men, regard debts, whether public or private, and whether existing at home or abroad, to be of moral as well as of legal obligation. If it were possible that any one of the States should, at any time, so entirely lose its self-respect and forget its duty as to violate the faith solemnly pledged for its pecuniary engagements, I believe there is no country upon earth—not even that of the injured creditor—in which such a proceeding would meet with less countenance or indulgence than it would receive from the great mass of the American people."

Whether Baring Brothers made the requested loan, and whether this particular State ever paid it back, I do not know; but it is a matter of history that, within ten years after Webster's elo-

quent assurance of the moral grandeur of the American States, the State of Mississippi borrowed, by the issue of bonds, seven million dollars from a European firm of bankers, who were then, as now, the most conspicuous family engaged in the business of loaning money to nations; and of this seven million dollars not one cent was paid back, either in principal or in interest. The Governor of the State declared, with the high-pitched fervor of virtuous indignation, that the banker had "in his veins the blood of Judas and of Shylock, and unites the qualities of both his countrymen. He has mortgages upon the silver-mines of Mexico and on the quicksilver-mines of Spain. He has advanced money to the Sublime Porte, and taken as security a mortgage upon the Holy City of Jerusalem and the sepulchre of our Saviour. It is for our people to say whether he shall have a mortgage upon our cotton-fields and make serfs of our children." And the State of Mississippi rose up in its mighty sovereignty and declared that it would never pay an honest debt to one so shameless.

Within thirty years, ten other Southern States followed Mississippi's example; borrowed some scores of millions of dollars; spent the money in public improvements—and then wiped the debt off their books by the simple expedient of refusing to pay.

It is not possible to state accurately just how many millions there are of these unpaid bonds outstanding. When the States repudiated them, they ceased to carry them on their books. Twenty years ago, the amount charged against each State was estimated as follows:

Alabama	$38,812,000
Arkansas	20,807,000
Florida	5,280,000
Georgia	13,580,000
Louisiana	32,115,000
Mississippi	22,600,000
North Carolina	48,350,000
South Carolina	19,500,000
Tennessee	29,850,000
Total	$230,894,000

Since then, the twenty years' accumulation of interest would have doubled the sum total.

These repudiated bonds were held, and are still held, by scores of small investors throughout the Northern States and in Eng-

land. They lie, with their big sheets of uncut coupons, in the dusty pigeonholes of desks. Occasionally, in settling up an estate, they come to light and are put upon the market. They command just about such a price as they are worth as historical curiosities. You can buy a gorgeously engraved and highly colored bond of the State of Louisiana, stamped with the State's seal and signed by the State officials, bearing the State's formal promise to pay $1,000, and interest which would now amount to over a thousand dollars more—you can buy this, or the bond of any of these repudiating States, for from five to fifteen dollars. It is ten of such bonds that figure in the present suit between South Dakota and North Carolina.

It is not to be supposed that the holders of these bonds viewed the arbitrary defiance of their legal rights with indifference. Some of the most scintillating gems in the whole literature of invective are to be found in the flood of angry protest and tart retort which passed between Northern investors and Southern repudiators. "Repudiation" was a term as familiar in the public prints of thirty years ago as "trusts" and "labor-unions" to-day. It was for the enrichment of literature that Sydney Smith, the noted English master of irony, had invested some of his savings in repudiated bonds and was, by his loss, stimulated to a strength and brilliancy of invective such as mere genius would never have inspired. He inveighed against "that total want of shame with which these things have been done; the callous immorality and deafness of the moral sense with which Europe has been plundered." He said:

"If I were an American of any of the honest States, I would never rest till I had compelled the dishonest States to be as honest as myself. The bad faith of one State brings disgrace on all, just as the common snakes are killed because vipers are injurious. I have a feeling that by that breed of men I have been robbed and ruined, and I shudder and keep aloof. I am astonished that the honest States of America do not draw a *cordon sanitaire* around their unpaying brethren—that the truly mercantile New-Yorkers and the thoroughly honest people of Massachusetts do not, in their European visits, wear uniforms with 'S. S.' or 'Solvent States' worked in gold letters upon the coat."

It is worth noting that the State which had issued Mr. Smith's bonds, whether in response to the sting of his satire or not, afterward paid in full with interest.

The defrauded investors did not stop with mere words; they

used every means which the richness of the stake caused ingenuity to suggest for persuading, bullying or coercing the Southern States into payment. But the repudiators were deaf to persuasion; and, when the force of the law was attempted, they smiled complacently behind their constitutional security.

Naturally, in the search for a remedy, the fact which has just been used in South Dakota's suit against North Carolina, the fact that, while an individual cannot sue, another State can sue, was soon noticed and dwelt upon. Ingenious lawyers sought for some means to take advantage of it. Finally, they hit upon a plan which offered some hope of success—a scheme which deserves a high place among the devious subterfuges of the law. The first step in it was to find a State willing to lend itself to the purposes of the bondholders. New Hampshire proved pliant; and the Legislature of that State passed a statute admirably adapted to serve the ends of those who wished to use the constitutional privileges of the commonwealth for their private ends. The statute, abbreviated and amended to show merely its general purport, read as follows:

"Whenever any citizen of this State shall be the owner of any claim against any of the other States . . . such citizen holding such claim may assign the same to the State of New Hampshire, and deposit the assignment thereof, . . . together with all the evidence necessary to substantiate such claim, with the Attorney-General of the State. Upon such deposit being made, it shall be the duty of the Attorney-General to examine such claim and the evidence thereof; and if, in his opinion, there is a valid claim which shall be just and equitable to enforce, . . . he, the Attorney-General, shall, upon the assignor of such claim depositing with him such sum as he, the said Attorney-General, shall deem necessary to cover the expenses and disbursements incident to, or which may become incident to, the collection of said claim, bring such . . . proceedings in the name of the State of New Hampshire, in the Supreme Court of the United States, as he, the said Attorney-General, shall deem necessary for the recovery of the money due upon such claim; and it shall be the duty of the said Attorney-General to prosecute such action or actions to final judgment for the collection of said claim, and to carry such judgment into effect, or, with the consent of the assignor, to compromise, adjust and settle such claim before or after judgment. Nothing in this act shall authorize the expenditure of any money belonging to this State, but the expenses of said proceedings shall be paid by the assignor of such claim; and the assignor of such claim may associate with the Attorney-General in the prosecution thereof, in the name of the State of New Hampshire, such other counsel as the

assignor may deem necessary, but the State shall not be liable for the fees of such counsel, or any part thereof. The Attorney-General shall keep all moneys collected upon such claim, or by reason of any compromise of any such claim, separate and apart from any other moneys of this State which may be in his hands, and shall deposit the same to his own credit, as special trustee under this act, in such bank or banks as he shall select; and the said Attorney-General shall pay to the assignor of such claims all such sums of money as may be recovered by him in compromise or settlement of such claims, deducting therefrom all expenses incurred by said Attorney-General."

It will be observed that the effect of this statute was to make the State a collecting-agent, to perform for certain individuals the work of collecting their overdue claims. As soon as this law was passed, some repudiated bonds were deposited, in the manner provided by the statute, with the Attorney-General of New Hampshire, and a test case was made up. Further evidence of the nature of the relation between New Hampshire and the individuals whose bonds the State was trying to collect is to be found in the following sentence from the agreement signed by the individuals, when, in accordance with the statute, they filed their bonds with the Attorney-General:

"And we do hereby covenant with the said State that, if an attempt is made by it to collect the said claim from the State of Louisiana, we will pay all the expenses of the collection of the same."

In due time, the case was heard before the Supreme Court. The decision was handed down by Chief-Justice Waite, and three brief sentences from his opinion will show what he thought of the elaborate subterfuge:

"The real question, therefore, is whether these holders of repudiated bonds can sue in the name of their respective States, after getting the consent of the State, or, to put it another way, whether a State can allow the use of its name in such a suit for the benefit of one of its citizens. . . . This State is nothing more nor less than a mere collecting agent of the owners of the bonds and coupons; and, while the suits are in the names of the States, they are under the actual control of individual citizens, and are prosecuted and carried on altogether by and for them. . . . Such being the case, we are satisfied that we are prohibited, both by the letter and the spirit of the Constitution, from entertaining these suits."

This happened just twenty years ago. With the collapse of this attempt, all effort to collect the repudiated bonds ceased,

until the commencement of the present suit of South Dakota against North Carolina. In the light of this historical perspective, an examination of the merits of this present suit may show what decision on it would further the best public policy.

It is clear that this present suit was conceived in the same spirit as the one that failed in 1884. Chief-Justice Waite threw New Hampshire's case out of Court because the bonds were not the *bona fide* property of the State—New Hampshire was merely a trustee or agent. Obviously, the next step in this series of legal experiments upon the Supreme Court was to make some State a *bona fide* owner of the bonds. South Dakota was willing to step into New Hampshire's shoes, and the bonds were turned over to that commonwealth, with a letter which was made carefully explicit as to the completeness of the transfer.

This apparent completeness of the transfer is what caused Justice Brewer to give his decision in favor of South Dakota. On the face of it, the transfer was without reservation, and he declined to go behind the record to seek reasons which might have caused him to decide otherwise than as he did. He said:

> "It is true that the gift may be considered a rare and unexpected one. Apparently, the statute of South Dakota was passed in view of the expected gift, and probably the donor made the gift under a not unreasonable expectation. that South Dakota would bring action against North Carolina to enforce these bonds, and that such action might inure to his benefit as the owner of other like bonds. But the motive with which a gift is made, whether good or bad, does not affect its validity or the question of jurisdiction."

Apparently, the Justice was strongly impressed by the necessity of explaining that he could not go behind the plain fact appearing upon the records, that South Dakota was the *bona fide* owner of the bonds. He quoted from another Justice of the Supreme Court this sentence: "If the law concerned itself with the motives of parties, new complications would be introduced into statutes which might seriously obscure their real merits." And, having conceded that South Dakota was the *bona fide* owner of the bonds, he felt compelled to give judgment in her favor.

The plain effect of that judgment, the law relating to repudiated bonds as it stands to-day, is this: Whenever by any sort of transfer which, so far as the records show, is *bona fide,* any State finds itself the owner of repudiated bonds whose conditions

are sufficiently analogous, in a legal sense, to the bonds in the present suit, that State can sue the repudiating State in the Supreme Court, and recover judgment. The perversion of public policy, the gross abuses, which may readily arise from this state of the law, can best be understood by a close examination of the statute by which South Dakota acquired the bonds in the present suit. For this purpose, it will be sufficient to quote five lines of the statute to which Mr. Justice White called emphatic attention in his strong dissenting opinion, in which he opposed permitting South Dakota to recover, italicizing the words which he italicized:

"The Attorney-General is authorized to employ counsel to be associated with him, in such suits or actions, who, with him, shall fully represent the State, and shall be entitled to reasonable compensation *out of the recoveries and collections in such suits and actions.*"

Now, what is the magic of these italicized words, which, alone, Justice White declares, make the suit one which the Court ought to refuse to lend its aid to. Their significance can best be illustrated by a supposititious case.

Suppose I buy ten thousand, or a hundred thousand, dollars of these bonds—as I may well be able to do, unless this present decision has raised their price—for one per cent. of their face value. Suppose I go to the proper official of South Dakota and say: "I am going to give you these bonds. I see by your statute that you are authorized to employ a lawyer to collect them. Now, I know a lawyer, A. He is my personal counsel. He is perfectly familiar with all the legal conditions of these bonds and is altogether the best man you can employ to collect them." It is only reasonable to suppose that the recipient of so bounteous a gift would be amiable enough to employ my friend A. And, without a doubt, as fees for lawyers go in the world of high finance, what the statute calls "a reasonable compensation" for the services of my friend, A., would be at least thirty per cent. of the face value of the bonds. And when A. has got his handsome fee, might not some generous impulse actuate him to come to me and thank me for having put him in the way of picking so rich a plum? Might he not even give me half the fee he got? The net result would then be this: I should have paid one per cent. for the bonds, and received fifteen per cent.; my friend A. would have fifteen per cent., and South Dakota would have

seventy per cent. Decidedly, there would be a general sense of peace and satisfaction in every quarter, except North Carolina.

Now, under the plain wording of this statute, and under the decision in the present case, every one of these things could happen to-morrow. The feeblest imagination can picture the avenues of financial and political corruption which this opens up.

Still another possibility follows this decision. Suppose that South Dakota had *bought* these bonds, instead of receiving them as a gift. The decision hangs entirely on the fact that South Dakota was the *bona fide* owner of the bonds. There is no magic in the fact that she got them as a gift; she would be equally the *bona fide* owner if she had bought them. This decision opens up endless opportunities for speculatively minded States to trade in the obligations of sister States. Can any imagination exaggerate the scandals, the corruption of Legislatures and State officials, the limitless possibilities of graft which would follow, if States should start to trade on the power which this decision gives them? Suppose some pocket-borough Legislature, completely dominated by one man whose personal say-so would secure the passage of any act—there have been such Legislatures in the largest and oldest States. Suppose this man should buy up these repudiated bonds at a cent or two on the dollar, then order his Legislature to buy them from him at fifteen, or twenty, or fifty cents on the dollar, and sue the repudiating States. This, too, is a possibility under the present decision. And there are other reasons of public policy why this precedent is unfortunate. They are too lengthy and too involved in legal technicality to be explained here; but the interested reader will find them set forth with strength and cogency in the dissenting opinion of Justices White, Fuller, McKenna and Day, which protests vigorously against—to use the language of Mr. Justice White—"endowing every State with the power of speculating upon stale and unenforceable claims of individuals against other States, thus not only doing injustice, but also overthrowing the fiscal independence of every State, and destroying that harmony between them which it was the avowed purpose of the Constitution to establish and cement."

Just here it should be explained, lest laymen misinterpret the scope of the present decision, that these repudiated bonds of the various States were issued for different purposes, with different

conditions which affect, to a greater or less degree, their legal standing. The bonds sued on in the present case were each secured by a specific mortgage on certain stock of the railroad for the building of which they were issued. Speaking technically and legally, this decision is a binding precedent only for this particular issue of bonds and for such of the other bonds as have identical conditions. Bonds which vary will have to stand or fall in future suits according as they are more or less analogous to these bonds.

It may be inferred from what has been said that I do not think these bonds ought to be collected at all. This is far from the truth. What is to be protested against, and what the dissenting Justices disapprove, is this beating the Constitution about the stump, and sacrificing the dignity of sovereign States, to serve sordid ends. The Southern States ought to pay every cent of these repudiated bonds. It is possible that in due time these States will see this matter in the same light. But the day when they shall see it, and pay their repudiated obligations of their own free will, will not be hastened by making them the victims of legal jugglery with the Constitution. Other States have repudiated for a period, and later paid in full—notably Minnesota and Virginia. With the rapidly increasing prosperity of the Southern States, and the wealth they are speedily acquiring, these commonwealths may come to see that the wiping away of the moral stain of repudiation is well worth the vast sums which the act would require. Repudiation was utterly without justification; but it was not without such excuse as will appeal to charitable judgment. Those bonds which were issued during the forties and fifties fell due just after the War. The Southern States were not only impoverished; they were filled, as well, with resentment against the Northern classes who held the bonds, and who had, by the abolition of slavery, wiped away that very property which the South had relied upon to enable it to pay these bonds.

Few realize how enormous was the loss in property inflicted upon the Southern States by the War. Taking three States, the following figures show the fall in the value of taxable property:

	Taxable Value in 1860.	Taxable Value in 1870.	Percentage of Depreciation.
Mississippi	$509,472,912	$177,278,880	65
Alabama	432,198,762	155,582,595	64
North Carolina	292,297,602	130,378,190	55

When the State debt was as high as could be carried in 1860, it is obvious that, with a decrease of over one-half the State wealth in 1870, it was simply impossible to continue to carry the debt. Repudiation was not only a temptation; temporarily, at least, it was a necessity.

And the carpet-bag governments, dominated by men who were not natives of the States, and who had no solicitude for their welfare, not only failed to nurse the wounded prosperity of the States and avoid further debt; they actually piled it higher, much higher than could be borne. This very State of North Carolina had in 1860 a State debt of only $9,699,600; by 1870, the carpet-bag government had increased it to $29,000,095.

Moreover, the questionable character of that portion of the debts which was added by the carpet-bag governments has been brought forward—and with much fairness—in extenuation of repudiation. Many, indeed the greater part, of all the repudiated bonds were issued by the reconstruction governments. The scandal and fraud connected with their issue furnished an excuse for repudiation later on, when the carpet-bag governments had left and the Southerners themselves again got control of the Legislatures. Says Mr. Clark Howell:

"For such bonded indebtedness as was fixed on the Southern States by those who overturned both human and divine law to obtain authority which did not exist, and who used the good name and credit of the Southern States by which to obtain money which they poured like water down the channels of their riotous and unceasing demand for pillage and plunder, I do not think that either equity, justice or law should require payment by the States which were so palpably robbed."

Robert P. Porter has thus described the Legislature which issued most of the repudiated bonds of South Carolina:

"The Report of the Joint Investigating Committee on the Public Frauds of South Carolina, a book of 900 pages, is one of the saddest as well as the most disgraceful pages of our history. The House and Senate of a free State were converted into a bar-room, where wines, liquors and cigars were dispensed free of charge. These supplies were absolutely purchased with the State's money, and for a time a reign of carousing and corruption was inaugurated. The most glaring frauds were committed. It is said that an estimate cannot be formed of the amount of wines, liquors and cigars which were used in a single session; but the bills rendered and the pay certificates issued for this kind of indulgence demonstrate that, to have used all that was purchased,

every member of the House and Senate of South Carolina must have consumed one gallon of whiskey per day, with a few extra bottles of ale and wine thrown in, and smoked not less than a dozen cigars within the same time.

"Prior to this time, legislation in South Carolina had been conducted in a rather primitive form, and without the extravagances of wealthier communities. The old legislature had been contented with five-dollar clocks; the new one purchased six-hundred-dollar clocks; forty-cent spittoons soon gave way to eight-dollar cuspidors; four-dollar benches were abolished to give place to two-hundred-dollar crimson plush sofas. The legislator who was contented to serve his State upon a one-dollar seat, in the new era leisurely lounged upon sixty-dollar plush Gothic chairs; eighty-dollar library desks took the place of four-dollar pine tables; cheap matting was taken up and body Brussels substituted."

Nevertheless, in spite of all excuses, it remains true that, as the Legislature of Georgia, before that State itself began repudiating, said, in a resolution which was ordered to be transmitted to the Governors of all the States, to be by them laid before their respective Legislatures: "We regard the slightest breach of plighted faith, public or private, as the evidence of the want of that moral principle upon which all obligations depend; that, when any State in this Union shall refuse to recognize her great seal as the sufficient evidence of her obligation, she shall have forfeited her station in the sisterhood of States, and will no longer be worthy of their confidence or respect."

By all means, the Southern States should, when they find themselves able, pay every cent of their repudiated debt, even that which they, in good faith, look upon as having been saddled upon them by questionable means. But let not payment be hurried by legal juggling. Let not the devious advantage which the debtor took of the Constitution be met by an even more devious abuse of that document on the part of the creditor. Two wrongs do not make a right.

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